

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

April 15, 2021

8:03 a.m.

**MEMBERS PRESENT**

Representative Sara Hannan, Co-Chair  
Representative Calvin Schrage, Co-Chair  
Representative Harriet Drummond  
Representative Mike Prax  
Representative Ken McCarty  
Representative Kevin McCabe

**MEMBERS ABSENT**

Representative Josiah Patkotak, Vice Chair

**COMMITTEE CALENDAR**

HOUSE BILL NO. 127

"An Act relating to the Alaska Municipal Bond Bank Authority."

- MOVED HB 127 OUT OF COMMITTEE

HOUSE BILL NO. 163

"An Act relating to vehicle title applications."

- MOVED HB 163 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 127

SHORT TITLE: MUNI BOND BANK: UA, LOAN AND BOND LIMITS

SPONSOR(S): REPRESENTATIVE(S) LEBON

03/05/21	(H)	READ THE FIRST TIME - REFERRALS
03/05/21	(H)	CRA, FIN
04/08/21	(H)	CRA AT 8:00 AM BARNES 124
04/08/21	(H)	Heard & Held
04/08/21	(H)	MINUTE(CRA)
04/15/21	(H)	CRA AT 8:00 AM BARNES 124

BILL: HB 163

SHORT TITLE: FORM OF SIGNATURE ON VEHICLE TITLE

SPONSOR(S): REPRESENTATIVE(S) SCHRAGE

04/05/21	(H)	READ THE FIRST TIME - REFERRALS
04/05/21	(H)	CRA, STA
04/13/21	(H)	CRA AT 8:00 AM BARNES 124
04/13/21	(H)	Heard & Held
04/13/21	(H)	MINUTE (CRA)
04/15/21	(H)	CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

JEFFREY SCHMITZ, Director  
 Division of Motor Vehicles  
 Department of Administration  
 Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 163.

**ACTION NARRATIVE**

[8:03:11 AM](#)

**CO-CHAIR SARA HANNAN** called the House Community and Regional Affairs Standing Committee meeting to order at 8:03 a.m. Representatives Drummond, Prax, McCarty, McCabe, Schrage, and Hannan were present at the call to order.

**HB 127-MUNI BOND BANK: UA, LOAN AND BOND LIMITS**

[8:04:13 AM](#)

CO-CHAIR HANNAN announced that the first order of business would be HOUSE BILL NO. 127, "An Act relating to the Alaska Municipal Bond Bank Authority."

[8:05:28 AM](#)

CO-CHAIR SCHRAGE moved to report HB 127 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 127 was reported out of the House Community and Regional Affairs Standing Committee.

[8:05:50 AM](#)

The committee took an at-ease from 8:05 a.m. to 8:08 a.m.

**HB 163-FORM OF SIGNATURE ON VEHICLE TITLE**

[8:08:32 AM](#)

CO-CHAIR HANNAN announced that the final order of business would be HOUSE BILL NO. 163, "An Act relating to vehicle title applications."

8:09:20 AM

REPRESENTATIVE MCCARTY moved to adopt Amendment 1 to HB 163, labeled 32-LS0666\A.1, Dunmire, 4/13/21, which read as follows:

Page 1, line 1, following "**applications**":  
Insert "**by dealers in motor vehicles**"

Page 1, lines 3 - 8:

Delete all material and insert:

**"\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

VEHICLE TITLE APPLICATIONS BY REGISTERED DEALERS.  
Notwithstanding AS 28.10.211(b)(1), if the owner or buyer of a vehicle is a dealer in motor vehicles, an application for title or transfer of title must contain the signature of the owner in ink or in electronic form or, if there is more than one owner, the signature in ink or electronic form of at least one of the owners and the name of each owner stated in the conjunctive or in the disjunctive. In this section, "dealer in motor vehicles" means a person registered with the Department of Administration under AS 08.66.010.

**\* Sec. 2.** Section 1 of this Act is repealed June 30, 2023."

8:09:30 AM

REPRESENTATIVE DRUMMOND objected for the purpose of discussion.

8:11:12 AM

REPRESENTATIVE PRAX asked for confirmation that Amendment 1 would limit the ability to sign electronically to licensed dealers.

REPRESENTATIVE MCCARTY answered that's correct. He added that Amendment 1 has a repeal date of June 30, 2023, "to allow for time to get the system up in place to take it to the next level of signature."

8:11:49 AM

CO-CHAIR SCHRAGE, regarding the idea that the Division of Motor Vehicles (DMV) is not ready to address electronic signatures for title transfers, said that is why HB 163 is not a mandate but instead would give the DMV the flexibility to allow electronic signatures when it is ready to do so. The same point stands in terms of the repeal date, he added. He said the proposed bill is limited in its scope; it is "a first bite at the apple" to encourage the DMV to begin preparing for electronic signatures. Furthermore, he said he does not think those who sell two or three cars in a year should be "precluded from the benefits of this once the DMV is ready." He stated his preference to see HB 163 passed unamended.

8:14:35 AM

REPRESENTATIVE MCCABE said he cannot agree with Amendment 1. He opined that the conservative approach is to remove regulation and restrictions. He said the sponsor's bill removes "the same two words in two places" thus allowing the DMV to [issue titles] electronically, and he said he thinks it is a good bill.

8:15:45 AM

REPRESENTATIVE MCCARTY responded that the intent of Amendment 1 is to protect Alaskans of fraud. He noted that the State of California limits electronic signatures [for titles] to car dealers, and he speculated that may be for the protection of the citizens of the state. He said Amendment 1 would ensure that the state has "an effective system."

8:17:23 AM

REPRESENTATIVE PRAX said he thinks "it would be good to think about this for a while."

8:18:05 AM

REPRESENTATIVE DRUMMOND concurred with Representative McCabe. She opined that HB 163 was "simple, elegant, and provides options for any kind of seller," and she expressed concern that Amendment 1 may limit the use of electronic signature only to registered dealers, and there are a lot of non-dealers who sell cars and would be excluded; therefore, she stated her support for HB 163, unamended.

[8:18:56 AM](#)

REPRESENTATIVE DRUMMOND maintained her objection to the motion to adopt Amendment 1 .

[8:19:00 AM](#)

A roll call vote was taken. Representative McCarty voted in favor of Amendment 1 to HB 163. Representatives Drummond, Prax, McCabe, Schrage, and Hannan voted against it. Therefore, Amendment 1 failed by a vote of 1-5.

[8:19:40 AM](#)

CO-CHAIR HANNAN noted that late the prior evening her office had received communication from the DMV in response to a question that had been asked at the prior hearing on HB 163; the division supplied a list showing the many instances where signatures are referenced in DMV statutes. She clarified that the DMV was not recommending HB 163 be amended.

[8:20:23 AM](#)

REPRESENTATIVE MCCARTY asked for clarification.

[8:21:12 AM](#)

JEFFREY SCHMITZ, Director, Division of Motor Vehicles, Department of Administration, said [the list provided by the Division of Motor Vehicles (DMV)] has to do with sections in statute that refer to a certificate, which can be implied to be a piece of paper. The list provided refers to those instances where "certificate" appears in statute - not necessarily specifying "in ink". He said the recommendation would be to add something like "or electronic verification" following "certificate", which would allow either certificate or electronic signature. He clarified that HB 163 "referenced one ... specific section of statute where it talked about 'ink'." He said, "... That would be in conflict to these other multiple places in which the statute refers to 'certificate'."

[8:22:56 AM](#)

REPRESENTATIVE MCCABE said he would be uncomfortable "adding all these without knowing what they are." He suggested passing HB 163 out of committee and then getting in touch with him to address this issue in a separate bill.

8:24:03 AM

CO-CHAIR SCHRAGE echoed that HB 163 is a narrow bill with a simple approach to address those places in statute that refer to "in ink". He said he thinks there is opportunity to expand by introducing legislation to address the certificate issue. He concurred with Representative McCabe that addressing the list would require more investigation.

8:25:06 AM

REPRESENTATIVE PRAX asked Mr. Schmitz if, from the perspective of [the DMV], it would be worth waiting and doing "the whole list at one time."

8:25:48 AM

MR. SCHMITZ responded that "getting started" would be easiest. Eventually the list will need to be cleaned up in statute, but there is no rush, he added. He said the DMV would take the direction of the legislature as to whether it addresses the simple form of HB 163, as currently written, or legislation expanded to encompass the list as a whole.

8:27:06 AM

REPRESENTATIVE DRUMMOND offered her understanding that the revisor of statutes [within the Legislative Legal Services agency] could make recommendations on additional items. She recommended passing HB 163 out of committee today.

8:28:21 AM

REPRESENTATIVE MCCARTY asked for clarification on what Representative Drummond was suggesting. He expressed concern about the committee's job of fully vetting proposed legislation.

8:28:59 AM

CO-CHAIR HANNAN interjected to remind committee members that the list from the DMV was not a recommendation but a response to a "where else" question asked by Representative McCabe. The proposed legislation identifies where "in ink" could be amended to include electronic signatures; the DMV list highlights a similar theme by finding all the places where "certificate" is used, which has been interpreted to mean paper, and considering

whether those references could be amended to include electronic signatures. The list is not in amendment form and is much bigger than the scope of the proposed legislation. She said she is not inclined to change HB 163, because it is a first step, and the DMV can come back with further recommendations in future.

[8:31:01 AM](#)

CO-CHAIR SCHRAGE clarified that the DMV had been asked what hurdles may stand in the way of modernizing a process, and the clear first hurdle is the verbiage "in ink". He concluded:

We may need statutory changes down the line, but that is not clear today, and this bill will allow us to at least remove that first, very clear hurdle that we know will be an issue, so that we can then further explore that issue and hopefully get to a point where consumers, businesses, and the general public can benefit from a much more efficient and flexible process of digital signatures.

[8:32:37 AM](#)

REPRESENTATIVE MCCABE indicated that he likes HB 163 as a first step.

[8:33:23 AM](#)

MR. SCHMITZ, in response to Representative McCarty and Co-Chair Schrage, offered his understanding that there is no reference to "in ink" in any of the passages referred to in the list of 64 instances of "certificate".

[8:35:19 AM](#)

REPRESENTATIVE DRUMMON moved to report HB 163 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 163 was reported out of the House Community and Regional Affairs Standing Committee.

[8:35:59 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 8:36 a.m.